



# GEORGIA DEPARTMENT OF REVENUE

Suite 15114, 1800 Century Blvd, Atlanta, GA 30345-3205

Contact: Charles Willey  
Director, Public Information  
(404) 417-2106  
charles.willey@dor.ga.gov

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## FOR IMMEDIATE RELEASE

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### **Effective Jan. 1 Sales and Use Tax Must Be Paid Before Georgia Title and Tag are Issued for Vehicles Purchased Outside Georgia**

ATLANTA—Effective Jan. 1, individuals, who purchase a motor vehicle outside Georgia from a business and desire to title and register the vehicle in Georgia, must pay the sales taxes due or show proof that the applicable sales and use tax has been paid on the vehicle before a Georgia title and license plate will be issued.

The proof can be a valid bill of sale or contract of purchase or some other satisfactory documentation.

If a purchaser pays sales tax in another state, they may be given credit for like taxes paid to the other state. If the credit from the other state is less than the total state and local sales and use taxes due in Georgia, the purchaser will have to pay the difference before the title and tag are issued. Refunds are not given in cases where the purchaser pays more in sales and use tax in another state than what is due in Georgia.

The amount of sales and use tax due is based on the four percent state sales and use tax rate plus the local tax rate for the county in which the vehicle is being registered. Local rates range from one to three percent. The Atlanta City Municipal Option Sales and Use tax does not apply to vehicle purchases.

These new requirements are contained in H.B. 364 which was passed during the 2005 legislative session.

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